

FY 2002-03 Budget Detail for GENERAL GOVERNMENT

**Attorney General
Civil Rights
Civil Service
Executive
Information Technology
Legislature
Management and Budget
State
Treasury-Operations
Treasury-Revenue Sharing/Debt Service**

**Summary: Enacted Appropriation
FY 2002-03 Attorney General
House Bill 5646
Public Act 528 of 2002**

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	Change from YTD at 5/10/02	
						FTEs/Dollars	%
FTEs	601.0	589.5	592.5	592.5	592.5	(8.5)	(1.4)
Gross	\$62,900,500	\$62,838,900	\$63,190,700	\$63,196,100	\$61,757,600	(\$1,142,900)	(1.8)
IDG/IDT	\$9,756,900	\$9,917,900	\$9,917,900	\$9,917,900	\$9,917,900	\$161,000	1.7
Federal	\$7,624,800	\$7,672,700	\$7,672,700	\$7,672,700	\$7,672,700	\$47,900	0.6
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$1,171,600	\$1,183,000	\$1,183,000	\$1,183,000	\$1,183,000	\$11,400	1.0
Restricted	\$8,871,900	\$8,864,600	\$9,216,400	\$9,216,400	\$9,216,400	\$344,500	3.9
GF/GP	\$35,475,300	\$35,200,700	\$35,200,700	\$35,206,100	\$33,767,600	(\$1,707,700)	(4.8)

OVERVIEW

The Department of Attorney General's chief officer is the elected Attorney General of the state. The Attorney General's powers are prescribed in the State Constitution, in statute, and in court decisions. Serving as legal counsel for state departments, agencies, boards, commissions, and their officers, the Attorney General defends the state in court, and brings action and intervenes in cases on the state's behalf. In addition to defending state agencies, the Attorney General represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys.

The Department of Attorney General has 41 legal divisions and three administrative divisions. In general, each legal division practices in specialized legal areas. Unlike other state agencies, the Department of Attorney General does not operate or initiate programs, and thus the basic mission and goals of the Department do not change from one year to the next. The mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. The Department's goals are to make the state a safe place for its citizens, offer justice to the victims of crime, defend common natural resources and monetary assets of the state, and deliver excellent legal services at a minimum cost to tax payers.

Major Budget Changes from FY 2001-02 YTD Appropriations:

		House	Senate	Enacted
1. Transfer to the Department of Information Technology	FTEs	(7.0)	(7.0)	(7.0)
Transfers information technology-related FTE positions to the new Department of Information Technology (DIT) created pursuant to Executive Order (EO) 2001-3. Associated funding, \$878,200 GF/GP, is transferred to a new appropriation unit within the Attorney General budget to fund services provided to the Department of Attorney General by the new DIT.	Gross	\$0	\$0	\$0
	GF/GP	\$0	\$0	\$0
2. Economic Adjustments	Gross	\$384,900	\$390,400	\$390,400
Adds funding for standard economic adjustments associated with salaries and wages, employee retirement plans, building occupancy charges, rent, worker's compensation, and termination of the \$375 lump sum payment made to employees in FY 2000-01 and FY 2001-02.	GF/GP	\$103,800	\$109,300	\$109,300
3. Funding for Employee-Related Economics	FTEs	(4.5)	(4.5)	(4.5)
Reduces FTE position authorization and associated monies in order to fund employee-related economic increases.	Gross	(\$286,600)	(\$286,600)	(\$286,600)
	GF/GP	(\$286,600)	(\$286,600)	(\$286,600)

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
4. Termination of Early Retirement Payouts	Gross	(\$159,900)	(\$159,900)	(\$159,900)
Reduces funding to reflect termination of the five-year scheduled payments of sick leave to employees who participated in the 1997 early retirement program.	GF/GP	(\$91,800)	(\$91,800)	(\$91,800)
5. Tobacco Settlement Trust Fund	FTEs	3.0	3.0	3.0
Provides for an additional 3.0 FTE positions (two attorneys and one secretary) to perform ongoing legal work and activities related to the Tobacco Master Settlement Agreement. Positions will be funded with Tobacco Settlement Trust Fund revenues.	Gross	\$351,800	\$351,800	\$351,800
	Restr	351,800	351,800	351,800
	GF/GP	\$0	\$0	\$0
6. Early Retirement and Budgetary Savings	Gross	\$0	(\$100)	(\$1,438,600)
Reduces GF/GP appropriation by \$1.4 million; \$1.1 million savings anticipated from implementing the 2002 early retirement program, \$352,000 from a 1.0% reduction from the Executive recommendation, and \$5,500 for costs associated with the salary increase included for the Attorney General.	GF/GP	\$0	(\$100)	(\$1,438,600)

Major Boilerplate Changes from FY 2001-02:

Sec. 307. Appropriation of Litigation Expense Reimbursements (New)

Appropriates up to \$500,000 from litigation expense reimbursements to be used for payment of attorney fees assessed against the Governor or the Attorney General when they are the named party in litigation against the state.

Sec. 308. Attorney General Salary (New)

Requires the Attorney General's salary to be \$135,500 effective January 1, 2003, unless an amendment to the state constitution gives the State Officers Compensation Commission (SOCC) the authority to determine the salary of the Attorney General.

**Summary: Enacted Appropriation
FY 2002-03 Civil Rights
House Bill 5646
Public Act 528 of 2002**

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	<u>Change from YTD at 5/10/02</u>	
						FTEs/Dollars	%
FTEs	171.5	163.5	163.5	163.5	163.5	(8.0)	(4.7)
Gross	\$15,267,000	\$15,348,900	\$15,348,900	\$15,348,800	\$14,367,700	(\$899,300)	(5.9)
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	\$934,000	\$934,000	\$934,000	\$934,000	\$934,000	\$0	0.0
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Restricted	\$0	\$0	\$0	\$0	\$0	\$0	0.0
GF/GP	\$14,333,000	\$14,414,900	\$14,414,900	\$14,414,800	\$13,433,700	(\$899,300)	(6.3)

OVERVIEW

The Michigan Civil Rights Commission was established in 1963 pursuant to Article I, Section 2 of the State Constitution to carry out the guarantees against discrimination. In Article V, Section 29, the Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin and is directed to "secure the equal protection of such civil rights without such discrimination." Public Acts 453 and 220 of 1976, the Elliot-Larsen Civil Rights Act and the Handicappers' Civil Rights Act respectively, and subsequent amendments have added sex, age, marital status, height, weight, arrest record, and physical and mental disabilities to the original four protected categories.

The Michigan Department of Civil Rights was established in 1965 to serve as the administrative arm charged with implementing the policies of the Commission. The Department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, and investigates and resolves discrimination complaints in the areas of employment, public accommodations and service, education, housing, and law enforcement. Also, the Department provides information and services to businesses on diversity initiatives, equal employment laws, contract compliance, coordination of certification programs for enterprises owned by persons with disabilities, and joint venture/strategic alliance matchmaking. A discrimination complaint may be filed at any of the Department's offices if the alleged discrimination has occurred within the past 180 days.

Major Budget Changes from FY 2001-02 YTD Appropriations:

1. Transfer to the Department of Information Technology (DIT)

Transfers information technology-related FTE positions to the new DIT created pursuant to Executive Order (EO) 2001-3. Associated funding, \$1.1 million GF/GP, is transferred to a new appropriation unit within the Civil Rights budget to fund services provided to the Department of Civil Rights by the new DIT.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
FTEs	(5.0)	(5.0)	(5.0)
Gross	\$0	\$0	\$0
GF/GP	\$0	\$0	\$0

2. Economic Adjustments

Adds funding for standard economic adjustments associated with salaries and wages, employee retirement plans, building occupancy charges, rent, worker's compensation, and termination of the \$375 lump sum payment made to employees in FY 2000-01 and FY 2001-02.

Gross	\$301,100	\$301,100	\$301,100
GF/GP	\$301,100	\$301,100	\$301,100

Major Budget Changes from FY 2001-02 YTD Appropriations:

3. Funding for Employee-Related Economics

Reduces FTE position authorization and associated funding to fund employee-related economic increases.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
FTEs	(3.0)	(3.0)	(3.0)
Gross	(\$181,200)	(\$181,200)	(\$181,200)
GF/GP	(\$181,200)	(\$181,200)	(\$181,200)

4. Termination of Early Retirement Payouts

Reduces funding to reflect termination of the five-year scheduled payments of sick leave to employees who participated in the 1997 early retirement program.

Gross	(\$38,000)	(\$38,000)	(\$38,000)
GF/GP	(\$38,000)	(\$38,000)	(\$38,000)

5. Early Retirement and Budgetary Savings

Reduces GF/GP appropriation by \$981,200; \$837,100 savings anticipated from implementing the 2002 early retirement program and \$144,100 from 1.0% reduction from the Executive recommendation.

Gross	\$0	(\$100)	(\$981,200)
GF/GP	\$0	(\$100)	(\$981,200)

Major Boilerplate Changes from FY 2001-02:

None

**Summary: Enacted Appropriation
FY 2002-03 Civil Service
House Bill 5646
Public Act 528 of 2002**

Analyst: Steve Stauff

						<u>Change from YTD at 5/10/02</u>	
	2001-02YTD (as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars	%
FTEs	230.5	201.5	201.5	201.5	201.5	(29.0)	(12.6)
Gross	\$30,088,340	\$32,217,300	\$32,217,300	\$32,217,200	\$31,585,200	\$1,496,860	5.0
IDG/IDT	\$3,300,000	\$5,300,000	\$5,300,000	\$5,300,000	\$5,300,000	\$2,000,000	60.6
Federal	\$4,779,100	\$4,779,100	\$4,779,100	\$4,779,100	\$4,779,100	\$0	0.0
Local	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$0	0.0
Private	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$0	0.0
Restricted	\$9,502,900	\$9,639,200	\$9,639,200	\$9,639,200	\$9,639,200	\$136,300	1.4
GF/GP	\$10,656,340	\$10,649,000	\$10,649,000	\$10,648,900	\$10,016,900	(\$639,440)	(6.0)

OVERVIEW

The Department of Civil Service is responsible for implementing policies established by the Civil Service Commission and administers a statewide merit system that provides classified job opportunities within state government. This system includes classification of positions, administration of competitive examinations for all classified positions, setting of pay scales, development of rules governing personnel transactions and conditions of employment, and administration of the Civil Service Commission's Employment Relations Policy. In addition, the Department maintains ongoing statewide recruitment.

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
1. State Officers Compensation Commission	Gross	\$15,000	\$15,000	\$15,000
Covers costs of the biennial meetings of the State Officers Compensation Commission.	GF/GP	\$15,000	\$15,000	\$15,000
2. Training Adjustment	Gross	\$2,000,000	\$2,000,000	\$2,000,000
Increases IDG-training authorization reflecting increased use of the leadership development and executive training curriculum.	IDG	2,000,000	2,000,000	2,000,000
	GF/GP	\$0	\$0	\$0
3. Early Retirement and Budgetary Savings	Gross	\$0	(\$100)	(\$632,100)
Creation of an Early Retirement and Budgetary Savings unit containing two negative appropriation lines totaling \$632,100; \$525,600 savings anticipated as a result of the early retirement program and \$106,500 from a 1.0% reduction from the Executive recommendation.	GF/GP	\$0	(\$100)	(\$632,100)

Major Boilerplate Changes from FY 2001-02:

None

Summary: Enacted Appropriation
FY 2002-03 Executive Office
House Bill 5646
Public Act 528 of 2002

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	<u>Change from YTD at 5/10/02</u>	
						FTEs/Dollars	%
FTEs	85.0	84.2	84.2	84.2	84.2	(0.8)	(0.9)
Gross	\$5,480,900	\$5,486,400	\$5,486,400	\$5,486,300	\$5,399,500	(\$81,400)	(1.5)
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Restricted	\$0	\$0	\$0	\$0	\$0	\$0	0.0
GF/GP	\$5,48000	\$5,486,400	\$5,486,400	\$5,486,300	\$5,399,500	(\$81,400)	(1.5)

OVERVIEW

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, their staffs, and the Office of Regulatory Reform. The Governor is elected by the people to a four-year term, is the Chief Executive Officer of the state, the Commander-In-Chief of the state's military establishment, and the Chairperson of the State Administrative Board. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. The Lieutenant Governor is nominated at party convention, is elected with the Governor to a four-year term, performs gubernatorial functions in the Governor's absence, and serves as President of the Michigan Senate.

Within the Executive Office is the Office of Regulatory Reform. This office is charged with removing unnecessary regulations which impact the business community and with simplifying complex rules where possible. Also, the Office of Regulatory Reform provides citizens with better and easier access to proposed changes in administrative rules, information on the rules process, and the status of new rules.

Major Budget Changes from FY 2001-02 YTD Appropriations:

1. Economic Adjustments

Adds funding for standard economic adjustments associated with salaries and wages and termination of the \$375 lump sum payment made to employees in FY 2000-01 and FY 2001-02.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
Gross	\$54,800	\$54,800	\$54,800
GF/GP	\$54,800	\$54,800	\$54,800

2. Funding for Employee-Related Economics

Reduces FTE position authorization and associated funding in order to fund employee-related economic increases.

FTEs	(0.8)	(0.8)	(0.8)
Gross	(\$54,800)	(\$54,800)	(\$54,800)
GF/GP	(\$54,800)	(\$54,800)	(\$54,800)

3. State Officers Compensation Commission (SOCC) Adjustments

Covers costs associated with salary increases provided by SOCC for the Governor and Lieutenant Governor.

Gross	\$5,500	\$5,500	\$5,500
GF/GP	\$5,500	\$5,500	\$5,500

4. Early Retirement and Budgetary Savings

Reduces the GF/GP appropriation by \$86,900; \$36,600 savings anticipated from implementing the 2002 early retirement program and \$50,300 from a 1.0% reduction from the Executive recommendation.

Gross	\$0	(\$100)	(\$86,900)
GF/GP	\$0	(\$100)	(\$86,900)

Major Boilerplate Changes from FY 2001-02:

None

**Summary: Enacted Appropriation
FY 2002-03 Information Technology
House Bill 5646
Public Act 528 of 2002**

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars	%
FTEs	0.0	1,771.4	1,706.2	1,771.4	1,771.4	1,771.4	100.0
Gross	\$0	\$427,508,900	\$333,453,600	\$427,508,900	\$424,006,800	\$424,006,800	100.0
IDG/IDT	\$0	\$427,508,900	\$333,453,600	\$427,508,900	\$424,006,800	\$424,006,800	100.0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Restricted	\$0	\$0	\$0	\$0	\$0	\$0	0.0
GF/GP	\$0	\$0	\$0	\$0	\$0	\$0	0.0

OVERVIEW

The Department of Information Technology (DIT) was created pursuant to Executive Order 2001-3 for the purposes of improving delivery of services to citizens by utilizing advancements in technology; improving management of state information and technology resources; and assuring reliability, security, and confidentiality of data and computer facilities. The Department utilizes existing technology funds and workforce from within the other 19 state agencies to support the long-term technology needs of the state and to find solutions and identify more effective ways to achieve missions.

Each state agency requests spending authority to fund information technology-related activities and pays for technology services rendered by the DIT through an interdepartmental grant. Administration of fund sources remains with each agency. Funds are organized into the following broad theme areas which are based on agency missions: Enterprisewide Services, Health and Human Services, Education Services, Public Protection, Resources Services, Transportation Services, and General Services.

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
1. Base Transfers	FTEs	1,709.0	1,774.2	1,774.2
Transfers FY 2001-02 information technology-related FTE positions and funding from Executive branch departments and agencies to the new Department of Information Technology.	Gross	\$332,719,500	\$426,774,800	\$426,774,800
	IDG	332,719,500	426,774,800	426,774,800
	GF/GP	\$0	\$0	\$0
2. Economic Adjustments	Gross	\$1,363,500	\$1,363,500	\$1,363,500
Additional funding for standard economic adjustments associated with classified salaries and wages.	IDG	1,363,500	1,363,500	1,363,500
	GF/GP	\$0	\$0	\$0
3. Funding for Employee-Related Economics	FTEs	(8.8)	(8.8)	(8.8)
Reduces FTE position authorization and associated funding to fund employee-related economic increases.	Gross	(\$629,400)	(\$629,400)	(\$629,400)
	IDG	(629,400)	(629,400)	(629,400)
	GF/GP	\$0	\$0	\$0

Major Budget Changes from FY 2001-02 YTD Appropriations:**4. Savings from Consolidation - Funding for e-Michigan**

Reflects \$9.3 million in administrative savings anticipated from consolidating functions and resources, then appropriates the \$9.3 million to further fund e-Michigan initiatives. Funding will be used for business and technical staffing, business process re-engineering, contracts, hardware, software, test and development center operations and maintenance, and portal hosting.

Gross
GF/GP

<u>House</u>	<u>Senate</u>	<u>Enacted</u>
\$0	\$0	\$0
\$0	\$0	\$0

5. Early Retirement Savings

Reduces the amount of IDG funding to be received by the DIT from other state departments and agencies by \$3.5 million. Savings are anticipated from implementing the 2002 early retirement program.

Gross
IDG
GF/GP

\$0	(\$100)	(\$3,502,100)
0	(100)	(3,502,100)
\$0	\$0	\$0

Major Boilerplate Changes from FY 2001-02:**Sec. 570. Contingency Funding (New)**

Authorizes the Department to receive up to \$40.0 million in additional IDG funding from the other state departments and agencies and authorizes expenditure of the funding once it has been transferred to a line item via the legislative transfer process.

Sec. 575. Transfer of Employees (New)

Specifies that the intent of the Legislature is for the DIT to transfer its employees from the other state departments and agencies within a reasonable time frame.

Sec. 576. Definition of Information Technology Services (New)

Defines "information technology services" to mean services involving all aspects of managing and processing information including, but not limited to, all of the following: application development and maintenance; desktop computer support and management; mainframe computer support and management; server support and management; local area network support and management; information technology contract, project, and procurement management; information technology planning and budget management; and telecommunication services, security, infrastructure, and support.

Summary: Enacted Appropriation
FY 2002-03 Legislature
House Bill 5646
Public Act 528 of 2002

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	<u>Change from YTD at 5/10/02</u>	
						FTEs/Dollars	%
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross	\$125,850,000	\$126,345,700	\$126,345,800	\$130,024,500	\$126,360,200	\$510,200	0.4
IDG/IDT	\$1,612,200	\$1,627,600	\$1,627,600	\$1,627,600	\$1,627,600	\$15,400	1.0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$0	0.0
Restricted	\$1,478,600	\$1,475,300	\$1,475,300	\$2,488,500	\$2,530,400	\$1,051,800	71.1
GF/GP	\$122,359,200	\$122,842,800	\$122,842,900	\$125,508,400	\$121,802,200	(\$557,000)	(0.5)

OVERVIEW

The budget for the Legislature provides funding for the Legislative branch of state government, to include the Office of the Auditor General, the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, appropriates funding from revenues collected for the support of public institutions and administration of the affairs of state government, initiates and considers amendments to the State Constitution and to the Constitution of the United States, and exercises legislative oversight over the Executive branch of government. The majority of the Legislature's work entails lawmaking. Through a process which is defined by the State Constitution, statute, and legislative rules, the Legislature considers thousands of bills during each two-year session.

The Office of the Auditor General is responsible for conducting financial and performance audits of state government operations. Resulting audit reports provide a continuing flow of information to assist the Legislature in its oversight of state government; provide citizens with a measure of accountability, ensuring that all receipts and expenditures are in accordance with the State Constitution, laws, rules, and procedures; and assist state departments and agencies in improving the financial management, effectiveness, efficiency, and economy of activities and programs approved by the Legislature.

The Legislative Council is a joint 12-member bipartisan committee of the Legislature established pursuant to Article IV, Section 15 of the State Constitution. The Council provides a wide variety of essential services to members and staff of the Legislature and is responsible for maintaining bill drafting, research, and other services.

The Michigan Legislative Retirement System was established by 1957 PA 261. It is a statewide single-employer retirement plan that provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. The system is funded through state appropriations, member contributions, certain court filing fees, and investment income.

Under authority of the Michigan Capitol Committee, Legislative Council Facility Agency staff has full responsibility for the maintenance, operation, and repair of the Capitol Building and grounds. Carpenters, painters, maintenance mechanics, and electricians provide the care and upkeep. Funding is provided in the budget for care and upkeep of the Capitol Building, the House of Representatives office building, and the Farnum Building.

Major Budget Changes from FY 2001-02 YTD Appropriations:

1. Senate

Adds funding to cover costs associated with the salary increase provided by SOCC for the Senators and for other purposes.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
Gross	\$318,000	\$1,318,000	\$712,600
GF/GP	\$318,000	\$1,318,000	\$712,600

2. Senate Automated Data Processing	Gross	\$0	\$1,000	\$75,300
Increases funding for this line item.	GF/GP	\$0	\$1,000	\$75,300
3. House of Representatives	Gross	\$1,734,800	\$1,734,700	\$1,066,700
Covers costs associated with the salary increase provided by SOCC for Representatives and for other purposes.	GF/GP	\$1,734,800	\$1,734,700	\$1,066,700
4. Legislative Auditor General	Gross	\$100	\$1,072,100	\$924,000
Adds funding for salary increases to be provided for the Auditor General and for the two unclassified positions. Includes additional funding for baseline operating costs, which will be funded with state restricted State Services Fee Fund revenue.	Restr	0	1,055,100	1,055,100
	GF/GP	\$100	\$17,000	(\$131,100)
5. House of Representatives Office Building	Gross	\$347,400	\$347,600	\$147,400
Adds funding to cover the 3.5% increase in lease costs required annually for the House office building.	GF/GP	\$347,400	\$347,600	\$147,400
6. Farnum Building	Gross	\$0	\$200,000	\$14,200
Provides \$14,200 and changes the name of the line item to include "Other Senate Properties."	GF/GP	\$0	\$200,000	\$14,200
7. Other Adjustments	Gross	\$0	\$0	(\$2,442,100)
Reduces funding for the following line items: Senate Fiscal Agency (\$25,900); House Fiscal Agency (\$30,200); Legislative Council (\$126,800); e-Law, Legislative Council Technology Enhancement Project (\$2.2 million); Legislative Service Bureau Automated Data Processing (\$15,000); Legislative Corrections Ombudsman (\$5,500); National Association Dues (\$3,900); Worker's Compensation (\$1,500); General Nonretirement Expenses (\$31,200); and Capitol Building (\$22,400).	GF/GP	\$0	\$0	(\$2,442,100)

Major Boilerplate Changes from FY 2001-02:

Sec. 610 (FY 2001-02). Public Access to Legislative Offices - DELETED

Prohibits restricting public access to legislative offices during normal business hours.

Sec. 618. Legislative Requests for Audits (New)

Requires any audits, reviews, or investigations requested of the Auditor General by the Legislature to include an estimate of the additional costs involved and requires the Legislature to provide supplemental funding when such costs exceed \$50,000. Authorizes the Auditor General to determine whether to perform such activities in keeping with Audit Directive Number 29, which describes the policy on responding to legislative requests.

Summary: Enacted Appropriation
FY 2002-03 Management and Budget
House Bill 5646
Public Act 528 of 2002

Analyst: Robin Risko

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	<u>Change from YTD at 5/10/02</u>	
						FTEs/Dollars	%
FTEs	925.5	854.5	854.5	854.5	854.5	(71.0)	(7.7)
Gross	\$173,229,000	\$188,634,700	\$188,634,700	\$188,634,600	\$188,098,300	\$14,869,300	8.6
IDG/IDT	\$85,722,700	\$109,606,600	\$109,548,100	\$109,548,100	\$109,548,100	\$23,825,400	27.8
Federal	\$380,300	\$300,100	\$358,600	\$358,600	\$358,600	(\$21,700)	(5.7)
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Restricted	\$43,257,800	\$35,355,300	\$35,355,300	\$35,355,300	\$35,355,300	(\$7,902,500)	(18.3)
GF/GP	\$43,868,200	\$43,372,700	\$43,372,700	\$43,372,600	\$42,836,300	(\$1,031,900)	(2.4)

OVERVIEW

The Department of Management and Budget (DMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. The Department is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; negotiating collective bargaining agreements; managing capital outlay projects; managing property for the state (i.e., managing state leases, selling surplus property); executing cost-effective purchasing programs; managing the state's retirement systems and employee benefit programs; supervising the state motor vehicle fleet; administering travel policies; and providing office support services to state agencies. In addition, the Department prepares, presents, and executes the state budget on behalf of the Governor.

Major Budget Changes from FY 2001-02 YTD Appropriations:

1. Transfer to the Department of Information Technology (DIT)

Transfers information technology-related FTE positions to the new DIT created pursuant to Executive Order 2001-3. Associated funding, \$27.4 million GF/GP, is transferred to a new appropriation unit within DMB's budget to fund services provided to the DMB by the new DIT.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
FTEs	(84.0)	(84.0)	(84.0)
Gross	\$0	\$0	\$0
GF/GP	\$0	\$0	\$0

2. State Space Plan

Increases funding for rent and operational costs associated with continued implementation of the state space plan. Consolidation efforts include transfer of responsibility of the Michigan Library and Historical Center to DMB and the opening of the Hall of Justice. Increase of 17.0 FTE positions is reflected due to transfer in of 15.0 FTE positions from the Legislative branch and the addition of 2.0 new facility manager positions associated with the Hall of Justice.

FTEs	17.0	17.0	17.0
Gross	\$14,728,700	\$14,728,700	\$14,728,700
IDG	14,728,700	14,728,700	14,728,700
GF/GP	\$0	\$0	\$0

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
3. Completion of Retirement Technology Project				
Reduces funding based on completion of the retirement technology project. Vision Office of Retirement Services (ORS) project was designed to replace outdated technology infrastructure, integrate technology systems across all retirement systems, facilitate maintenance and enhancements to the system, and improve customer service in processing retirements and responding to customer inquiries.	Gross	(\$8,000,000)	(\$8,000,000)	(\$8,000,000)
	Restr	(8,000,000)	(8,000,000)	(8,000,000)
	GF/GP	\$0	\$0	\$0
4. Security at State Buildings				
Adds funding for tightened security at state buildings. Security guards will be present in buildings, at one or more of the entrances, at the docks, and at parking ramp entrances. Where there are no security guards, doors will be locked.	Gross	\$4,792,000	\$4,792,000	\$4,792,000
	Restr	4,792,000	4,792,000	4,792,000
	GF/GP	\$0	\$0	\$0
5. Parking Adjustments				
Provides for costs associated with providing new leased parking areas for employees; includes additional funding for the Roosevelt Ramp. The Department has leased a number of parking spaces in various lots and ramps in Detroit and Lansing and is providing shuttle bus services to more remote parking locations in order to improve the overall parking situation. The Roosevelt Ramp will be constructed and managed by DMB.	Gross	\$3,214,800	\$3,214,800	\$3,214,800
	Restr	3,214,800	3,214,800	3,214,800
	GF/GP	\$0	\$0	\$0
6. Economic Adjustments				
Adds funding for standard economic adjustments associated with salaries and wages, employee retirement plans, building occupancy charges, rent, worker's compensation, and termination of the \$375 lump sum payment made to employees in FY 2000-01 and FY 2001-02.	Gross	\$348,700	\$348,700	\$348,700
	GF/GP	(\$92,000)	(\$92,000)	(\$92,000)
7. Funding for Employee-Related Economics				
Reduces FTE position authorization and associated funding to fund employee-related economic increases.	FTEs	(4.0)	(4.0)	(4.0)
	Gross	(\$352,400)	(\$352,400)	(\$352,400)
	GF/GP	(\$352,400)	(\$352,400)	(\$352,400)
8. Termination of Early Retirement Payouts				
Reduces funding to reflect termination of the five-year scheduled payments of sick leave to employees who participated in the 1997 early retirement program.	Gross	(\$126,100)	(\$126,100)	(\$126,100)
	GF/GP	(\$27,500)	(\$27,500)	(\$27,500)
9. Early Retirement and Budgetary Savings				
Reduces the GF/GP appropriation by \$536,400; \$102,700 savings anticipated from implementing the 2002 early retirement program, and \$433,700 from a 1.0% reduction from the Executive recommendation.	Gross	\$0	(\$100)	(\$536,400)
	GF/GP	\$0	(\$100)	(\$536,400)

Major Boilerplate Changes from FY 2001-02:**GENERAL SECTIONS****Sec. 215. Disciplinary Action Against Executive Branch Employees (New)**

Prohibits departments and state agencies from taking disciplinary action against employees for communicating with members of the Legislature or their staff.

Sec. 216. Negative Appropriation for Early Retirement and Budgetary Savings (New)

Specifies requirements for how to reach the early retirement and budgetary savings amounts included in the appropriations bill and requires approval of transfers by the Legislature in order to apply the savings to affected line items.

Major Boilerplate Changes from FY 2001-02:

MANAGEMENT AND BUDGET

Sec. 707. Commission Per Diem Rates

Revises current-year language to include a \$50 per diem rate for the State Employees Retirement Board. Currently, the per diem rate for the State Employees Retirement Board is \$35 as established by section 5 (c) of 1943 PA 240, the State Employees Retirement Act. Pursuant to recent legislation associated with the 2002 early retirement program, 2002 PA 93, the per diem rate is to be provided at the amount established annually by the Legislature. The Legislature has established a per diem rate of \$50 for all other retirement boards.

Sec. 716. Vietnam Veterans' Memorial Monument (New)

Authorizes DMB to receive and expend funding from the Vietnam Veterans' Memorial Monument Fund for maintenance of the Vietnam Veterans' Memorial Monument and the Vietnam Memorial Park.

Sec. 717. Veterans' Memorial Park Commission (New)

Authorizes the Michigan Veterans' Memorial Park Commission to receive and expend funding from any source for the purpose of carrying out its responsibilities.

Sec. 718. Reference to Townships on Forms (New)

Prohibits DMB from printing, or authorizing the printing of, forms that reference a city or village unless the form also references a township in the same size print and in the same font.

Sec. 719. Gubernatorial Transition Process (New)

Transfers up to \$1.2 million from the general fund for costs associated with the gubernatorial transition process.

Sec 718 (FY 2001-02). Report on Restricted Fund Balances - DELETED

Requires DMB, together with the Department of Treasury, to provide a report on restricted fund balances, projected revenues, and projected expenditures for each restricted fund.

**Summary: Enacted Appropriation
FY 2002-03 State
House Bill 5646
Public Act 528 of 2002**

Analyst: Steve Stauff

Change from YTD at 5/10/02

	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars	%
FTEs	1,979.3	1,853.8	1,853.8	1,853.8	1,853.8	(125.5)	(6.3)
Gross	\$139,288,400	\$179,828,100	\$173,335,100	\$180,834,800	\$179,055,800	\$39,767,400	28.6
IDG/IDT	\$55,814,100	\$96,493,000	\$90,000,000	\$96,493,600	\$96,493,000	\$40,678,900	72.9
Federal	\$1,303,600	\$1,319,500	\$1,319,500	\$1,319,500	\$1,319,500	\$15,900	1.2
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Private	\$100	\$100	\$100	\$100	\$100	\$0	0.0
Restricted	\$64,451,900	\$64,274,200	\$64,274,200	\$65,274,200	\$64,274,200	(\$177,700)	(0.3)
GF/GP	\$17,718,700	\$17,741,300	\$17,741,300	\$17,747,400	\$16,969,000	(\$749,700)	(4.2)

OVERVIEW

The Department of State is responsible for implementing the policies of the Secretary of State. The Department of State's Chief Executive Officer is the Secretary of State, an elected official who serves a four-year term of office. The Department of State administers programs in four major areas: motor vehicle transactions, which includes titling and registration of automobiles, watercraft, and recreational vehicles; traffic safety, which includes testing drivers for ability and the suspension of license privileges when laws are broken or incompetence is judged; consumer protection, which includes inspection and licensing of automotive repair facilities; and regulation and administration of the state's electoral process, which entails training local election officials and monitoring campaign finance.

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
1. Michigan Transportation Fund (MTF) IDG Increase	Gross	\$33,507,000	\$40,000,000	\$40,000,000
Formalizes replacement of GF/GP revenue as provided for in Executive Order 2001-9.	IDG	33,507,000	40,000,000	40,000,000
	GF/GP	\$0	\$0	\$0
2. Administrative Savings	Gross	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Reduces the Branch Operations appropriation line to recognize administrative savings.	GF/GP	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
3. Department of History, Arts, and Libraries Transfer	FTEs	(2.0)	(2.0)	(2.0)
Transfers funding and positions to the Department of History, Arts, and Libraries which had provided accounting, legal support, mailing activities to the Historical program, and dollars associated with the promotion of Michigan Week.	Gross	(\$261,800)	(\$261,800)	(\$261,800)
	GF/GP	(\$261,800)	(\$261,800)	(\$261,800)

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
4. Early Retirement and Budgetary Savings	Gross	\$0	(\$100)	(\$777,800)
Creates an Early Retirement and Budgetary Savings unit containing two negative appropriation lines totaling \$777,800; \$594,900 reflects savings anticipated as a result of the early retirement program, \$177,400 equates to a 1.0% reduction from the Executive recommendation, and a reduction of \$5,500 covers the annualized cost associated with a salary increase for the Secretary of State.	GF/GP	\$0	(\$100)	(\$777,800)
5. Vertical Driver License and Identification Card - VETOED	Gross	\$0	\$1,000,000	\$0
Senate State Services Fee Fund support for development and implementation of a vertical driver license and ID card program. Vetoed by the Governor and overridden by the Legislature.	Restr	0	1,000,000	0
	GF/GP	\$0	\$0	\$0

Major Boilerplate Changes from FY 2001-02:***Secs. 804, 807, 808, 812, 815, 816, and 819. Removal of Historical Program Language***

Strikes language relating to the Michigan Historical Program that is more appropriately addressed within the Department of History, Arts, and Libraries FY 2002-03 appropriation act.

Sec. 816. Branch Office (New)

Requires the Department to consult with the House and Senate Subcommittees on General Government regarding projected closings or consolidations of branch offices; House language.

Sec. 817. Secretary of State Salary (New)

Sets the annual salary of the Secretary of State at \$135,500 as of January 1, 2003, unless a constitutional amendment gives the State Officers Compensation Commission that authority; Senate language.

Sec. 818. Vertical Driver License and ID Card (New) - VETOED

Specifies that the corresponding \$1.0 million in part 1 from the State Services Fee Fund be used for development and implementation of a vertical driver license and personal identification card for persons under the age of 21. Vetoed by the Governor and overridden by the Legislature; Senate language.

**Summary: Enacted Appropriation
FY 2002-03 Treasury - Operations
House Bill 5646
Public Act 528 of 2002**

Analyst: Steve Stauff

	<u>Change from YTD at 5/10/02</u>					
	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars %
FTEs	2,004.5	1,861.5	1,861.5	1,861.5	1,861.5	(143.0) (7.1)
Gross	\$349,497,300	\$371,179,900	\$369,679,900	\$372,329,400	\$368,480,500	\$18,983,200 5.4
IDG/IDT	\$9,237,000	\$19,445,300	\$19,445,300	\$19,445,500	\$19,445,300	\$10,208,300 110.5
Federal	\$33,850,000	\$44,296,100	\$44,296,100	\$44,296,100	\$44,296,100	\$10,446,100 30.9
Local	\$950,100	\$910,800	\$1,610,800	\$910,800	\$910,800	(\$39,300) (4.2)
Private	\$0	\$0	\$0	\$0	\$0	\$0 0.0
Restricted	\$251,969,200	\$252,233,900	\$250,733,900	\$252,233,900	\$252,233,900	\$264,700 0.1
GF/GP	\$53,491,000	\$54,293,800	\$54,293,800	\$55,443,100	\$51,594,400	(\$1,896,600) (3.6)

OVERVIEW

The Department of Treasury is the chief fiscal agency of the state and is the primary source of advice to the Governor on tax and fiscal policy issues. The primary mission of the Department is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. In addition, the Department manages one of the nation's largest pension funds, houses the Bureau of Lottery and the Michigan Gaming Control Board, and administers student financial aid programs. The Department also investigates fraudulent financial activity; gives advice and assistance on all property tax-related issues; trains and gives advice concerning accounting, auditing, budgeting, and financial management to local units of government; advises issuers of municipal obligations; and lends funds to local units in fiscal distress through the Emergency Loan Board.

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
1. Federal Grant for State Education Assessments	Gross	\$10,698,800	\$10,698,800	\$10,698,800
Allows for federal grant funds for assessment testing requirements associated with the "No Child Left Behind Act of 2001" which requires states to develop and implement annual reading and math assessments in grades 3-8.	Federal	10,698,800	10,698,800	10,698,800
	GF/GP	\$0	\$0	\$0
2. MTF Support for Collection of Motor Fuel Taxes and Electronic Tax Simplification System	Gross	\$10,225,000	\$10,225,000	\$10,225,000
Provides \$8.0 million of Michigan Transportation Fund support for collection of motor fuel taxes consistent with the authorizing provision in Executive Order 2001-9, and \$2.2 million to fund implementation of an electronic motor fuel tax simplification system.	IDG	10,225,000	10,225,000	10,225,000
	GF/GP	\$0	\$0	\$0
3. New Lottery Game and Instant Ticket Vending Machines	Gross	\$0	\$1,500,000	\$1,500,000
Increases authorization of State Lottery Fund revenue to be used for the purchase of a new game, Changeplay, and for the lease or purchase of instant ticket vending machines.	Restr	0	1,500,000	1,500,000
	GF/GP	\$0	\$0	\$0
4. Early Retirement and Budgetary Savings	Gross	\$0	(\$100)	(\$2,699,400)
Creates an Early Retirement and Budgetary Savings unit containing two negative appropriation lines totaling \$2.7 million; \$2.2 million savings anticipated as a result of the early retirement program and \$542,900 from a 1.0% reduction from the Executive recommendation.	GF/GP	\$0	(\$100)	(\$2,699,400)

Major Boilerplate Changes from FY 2001-02:

Sec. 963. Michigan Public Educational Facilities Authority (New)

Authorizes the Department to expend revenues received under the Public Educational Facilities Authority for operational expenses and for grants to the Civil Service Commission and State Employee's Retirement Fund.

Sec. 964. Michigan Broadband Development Authority (New)

Authorizes the Department to expend revenues received under the Broadband Development Authority for operational expenses and for grants to the Civil Service Commission and State Employee's Retirement Fund.

Sec. 972 (FY 2001-02). Sunday Lottery Draw Prohibition - DELETED

Prohibits lottery drawings on Sunday.

Sec. 994. State Services Fee Fund (New)

Requires that if the State Services Fee Fund revenues are less than amounts appropriated from the fund, casino gaming regulation activities will be funded first and the remaining revenue will be proportionately distributed among the other state departments or agencies.

Enacting Section 1 - Tie-Bar Language (New)

Tie-bars the General Government FY 2002-03 appropriation act to House Bill 5248 of the 91st Legislature if enacted into law.

Supplemental Appropriations FY 2001-02:

1. Michigan Merit Award Board/MEAP Administration

Removes Michigan Merit Award Trust Fund authorization that was to be used for improvements to the Michigan Educational Assessment Program (MEAP) test and creation of a database to contain test scores, track test attempts, and qualifying students (2001 PA 120).

Gross	(\$2,500,000)
Restr	(2,500,000)
GF/GP	\$0

2. Pari-Mutuel Audits

Replaces GF/GP within the Pari-Mutuel Audits appropriation line with a like amount of State Services Fee Fund authorization (2001 PA 120).

Gross	\$0
Restr	240,000
GF/GP	(\$240,000)

3. Tax Amnesty Program

Funds administration of the tax amnesty program (2001 PA 168).

Gross	\$1,500,000
GF/GP	\$1,500,000

**Summary: Enacted Appropriation
FY 2002-03 Treasury - Revenue Sharing/Debt Service
House Bill 5646
Public Act 528 of 2002**

Analyst: Steve Stauff

						<u>Change from YTD at 5/10/02</u>	
	2001-02 YTD (as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars	%
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross	\$1,646,595,000	\$1,598,386,400	\$1,603,761,100	\$1,598,386,700	\$739,016,400	(\$907,578,600)	(55.1)
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Local	\$700,000	\$0	\$700,000	\$0	\$0	(\$700,000)	(100.0)
Private	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Restricted	\$1,540,600,000	\$1,528,800,000	\$1,528,800,000	\$1,528,800,200	\$679,430,000	(\$861,170,000)	(55.9)
GF/GP	\$105,295,000	\$69,586,400	\$74,261,100	\$69,586,500	\$59,586,400	(\$45,708,600)	(43.4)

OVERVIEW

In addition to being the chief fiscal agency of the state, the Department of Treasury administers the various revenue sharing programs to local units of government as well as debt servicing for general obligation bond programs.

Major Budget Changes from FY 2001-02 YT Appropriations:

1. School Bond Loan Debt Service Transfer to State School Aid Transfers School Bond Loan debt service to the State School Aid budget.	Gross	\$1,000	(\$5,373,700)	(\$5,373,700)
	Restr	0	(700,000)	(700,000)
	GF/GP	\$1,000	(\$4,673,000)	(\$4,673,000)
2. Bond Debt Service Adjustment Reduces debt service authorization reflecting savings created by refunding existing bonded obligations and restructuring debt payments.	Gross	(\$41,034,900)	(\$41,034,900)	(\$41,034,900)
	GF/GP	(\$41,034,900)	(\$41,034,900)	(\$41,034,900)
3. Grants to Local Units of Government - VETOED Establishes one-time grants to local units of government to offset negative impacts of revenue sharing distribution in FY 2002-03. The Governor vetoed \$9.9 million; veto was overridden by the Legislature.	Gross	\$10,000,000	\$10,000,100	\$0
	GF/GP	\$10,000,000	\$10,000,100	\$0
4. Revenue Sharing - Constitutional Increases Constitutional Revenue Sharing support based on the January and May 2002 Revenue Estimating Conferences.	Gross	\$9,700,000	\$9,700,100	\$6,830,000
	Restr	9,700,000	9,700,100	6,830,000
	GF/GP	\$0	\$0	\$0
5. Revenue Sharing - Statutory - VETOED Reduces Statutory Revenue Sharing support based on the January and May 2002 Revenue Estimating Conferences. The Governor vetoed \$844.2 million; veto was overridden by the Legislature.	Gross	(\$21,500,000)	(\$21,499,900)	(\$868,000,000)
	Restr	(21,500,000)	(21,499,900)	(\$868,000,000)
	GF/GP	\$0	\$0	\$0

Major Boilerplate Changes from FY 2001-02:

Sec. 972. Guidance for Grants to Local Governmental Units (New) - VETOED

States that hold harmless grants do not apply toward reductions incurred as a result of negative census corrections resulting in a lower revenue sharing payment for a community for FY 2002-03 compared to FY 2001-02. Also states that if actual sales tax collections increase, cities, villages, and townships will be held harmless for total revenue sharing payments. Vetoed by the Governor and overridden by the Legislature.